



# **The Commonwealth of Massachusetts**

## **DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

### **BAY STATE GAS COMPANY** **D.T.E. 05-27**

#### **SEVENTH SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO THE COMPANY**

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Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy ("Department") submits to Bay State Gas Company ("Bay State" or "Company") the following set of Information Requests for response within ten days of issuance:

- DTE 7-1      Please refer to Exh. BSG/DGC-1 at 58 - 63. Discuss whether the Company currently contributes funds to GTI. If yes, provide copies of all internal analyses, memoranda, emails and all other relevant materials that led Bay State determine that participation in GTI's programs is beneficial to the Company's Massachusetts end users.
- DTE 7-2      Please indicate, providing adequate supporting documentation, the date Bay State began contributing to GTI's research activities.
- DTE 7-3      Please quantify the benefits to-date that are derived from directly funding GTI's activities. Differentiate between benefits to end users versus benefits to shareholders.
- DTE 7-4      Please provide the proposed shareholders' annualized contribution towards GTI related costs.
- DTE 7-5      Regarding the proposed GTI contribution (Exh. BSG/DGC-1), please explain whether the benefits discussed in the Cote testimony are actual benefits to Bay State's Massachusetts end-users or to the Company's shareholders. In the response, discuss whether the alleged technological advancements when implemented will lead to an immediate decrease in distribution rates or an immediate increase in the Company's profits.
- DTE 7-6      For each of the past 10 years, please provide supporting documentation demonstrating that the benefits to Bay State's customers derived from GTI

research, have equaled or exceeded the Company's contribution towards such costs.

- DTE 7-7 Please provide support indicating that the expected benefits from GTI research will at a minimum equal contributions. In the response, please provide actual, measurable figures, not expected figures or unsupported testimony.
- DTE 7-8 Please provide analysis demonstrating that absent Bay State's contribution the GTI developed technology discussed in Exh. BSG/DGC-1 will not develop.
- DTE 7-9 Once GTI develops technology that is beneficial to Bay State's end users, will the Company be required to pay additional funds to acquire it?
- DTE 7-10 Please refer to the Department's decision in Boston Gas Company, D.T.E. 03-41, at 428-430 (2003). In rejecting Boston Gas Company's proposal, the Department noted that: (1) the Boston Gas proposal claimed it would benefit consumers who were asked to carry the financial burden without offering proof of this claim; (2) although there is a plethora of potential beneficiaries, only gas consumers provide the funding; and (3) since it was the only LDC proposing the surcharge, only its customers would be paying for R&D. Furthermore, the Department noted that its reluctance to approve the collection and disbursement of R&D funds prior to a review of a detailed proposal outlining the associated costs and benefits to the particular customers who are paying for the surcharge. Discuss how, in the instant filing, Bay State has addressed all of the concerns summarized above.
- DTE 7-11 Regarding the Company's proposed dual fuel tariff (Exh. BSG/JAF-3 at 3-6), please provide a list of all the Massachusetts LDCs that have implemented such a tariff.
- DTE 7-12 In developing its proposed distribution rates, please discuss how Bay State has accounted for the consumption/throughput by dual fuel customers.
- DTE 7-13 Has the Company considered developing a dual fuel tariff that would entice rather than obligate dual fuel customers to prefer gas over alternative fuels?
- DTE 7-14 Please refer to Exh. BSG/JAF-3 at 4, lines 19-21. Discuss how and when "...costs are shifted to other customers," who these other customers are, and when these other customers pay for these costs.
- DTE 7-15 Please refer to Exh. BSG/JAF-3 at 5, lines 7-9. Discuss why the Company excluded the G/T 40 and G/T 50 classes from its proposed dual fuel tariff.

- DTE 7-16 Please discuss whether the proposed dual fuel tariff will provide disincentives for large C&I customers willing to expand or move operations to Massachusetts in general and Bay State's territory in particular.
- DTE 7-17 Please discuss whether the Company's reasoning behind dual fuels customers is applicable to C&I customers who chose to suspend operations (and therefore gas consumption) as a result of high gas prices.
- DTE 7-18 Regarding the Company's proposed dual fuel tariff, please discuss the circumstances under which Bay State can enter a customer's premises to inspect a customer's equipment.
- DTE 7-19 Please refer to proposed M.D.T.E. No. 67, p. 2. Discuss how the Company determined the inputs to the proposed Benchmark Usage. Provide all analyses, and documentation supporting the Company's election of multipliers.

Dated: May 24, 2005